# GREATER HAMILTON
# Large Office Inventory
## DEVELOPMENT - REPORT 88-1

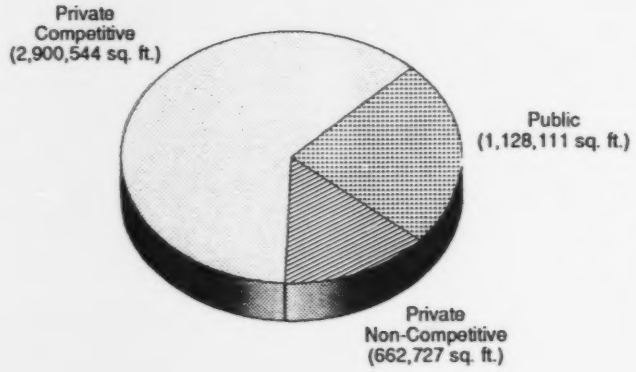
Hamilton-Wentworth Region • Planning and Development Department • Strategic Planning Division

*This bulletin describes buildings with large office spaces of over 10,000 square feet (sq. ft.) in the Regional Municipality of Hamilton-Wentworth, and outlines changes from January 1985 to December 1987.*

*There are 87 buildings providing 4.7 million sq. ft. of space. Fifty-four "private competitive" buildings offer leasable space on the open market and represent 62% of total space. Sixteen "private non-competitive" buildings, where space is used completely by the private owner, provide 14% of total space. Seventeen "public" buildings, where space is owned and used by public agencies, provide the remaining 24% of total space.*

*Additions to the total large office inventory from 1985 to 1987 included four new private competitive buildings (244,000 sq. ft.) and the expansion of one private competitive building (15,000 sq. ft.). There were no additions to private non-competitive buildings or to public building space. Building locations and sizes are shown on pages 5 to 7 of this bulletin.*

### Large Office Buildings Hamilton-Wentworth (1987)




## Highlights...

**Good Leasable Space Throughout Hamilton-Wentworth**

- There are 2.9 million sq. ft. of private competitive space in Hamilton-Wentworth. Thirty-nine buildings are in downtown Hamilton, thirteen elsewhere in Hamilton, and two in other area municipalities.
- Space is available for new tenants in all cost ranges and in all locations.

**High Net Absorption Rates for Leasable Space**

- 440,000 sq. ft. of additional space were leased from 1985 to 1987. Nearly all net absorption occurred in buildings renting at over $14 net per sq. ft.
- Overall vacancy rates decreased from 28.3% in 1985 to 17.9% in 1987.
- The limited supply of "prime" space suggests excellent opportunities for new office construction or renovation of existing lower cost buildings.

**Prime Downtown Space at Very Reasonable Rents**

- There are 1.1 million sq. ft. of space in five buildings, renting at over $14 net per sq. ft., in downtown Hamilton. Average rental cost for this "prime" space is $16 net per sq. ft. - half the cost of comparable space in downtown Toronto.
- The most expensive downtown office space is $19.50 net per sq. ft.

**Large Supply of Inexpensive Space**

- 356,000 sq. ft. of downtown office space in ten buildings rents at between $10 and $14 net per sq. ft. Nearly 1.1 million sq. ft. of downtown space in 24 buildings rents for $10 net per sq. ft. or less.
- 369,000 sq. ft. of space in 15 buildings outside the downtown rents at between $5 and $13 net per sq. ft.

Sources: Telephone survey of leasing agents, December 1987; Field survey and assessment rolls review, Summer 1987; Canadian Real Estate - 1987 (Royal LePage).

# 1.0 Private Competitive Office Space

"Private competitive" large office space in Hamilton-Wentworth totalled 2,900,544 sq. ft. at year-end 1987. Space in these 54 buildings represents 62% of all large office space.

Thirty-nine of these buildings are located in the Central Area of the City of Hamilton and 15 are in other areas of the Region. Average net rent in 1987 was $9.34 net per sq. ft.

The overall vacancy rate in Hamilton-Wentworth significantly declined from 1985 to 1987, even though four new buildings came on the market, one returned to the market after extensive renovations, and one underwent major expansion.

## Private Competitive Office Space Hamilton-Wentworth

### Year - End 1987

| Area | Net Rent Range ($/sq. ft.) | Number of Buildings | Total Floor Area (sq. ft.) | Average Size (sq. ft.) | Average Net Rent ($/sq. ft.) |
|---|---|---|---|---|---|
| Central Area | $14 & over | 5 | 1,102,208 | 220,442 | 16.04 |
| | $10 to $14 | 10 | 356,237 | 35,624 | 11.69 |
| | up to $10 | 24 | 1,072,902 | 44,704 | 7.63 |
| | all rents | 39 | 2,531,347 | 64,906 | 9.75 |
| Other Areas | all rents | 15 | 369,197 | 24,613 | 8.27 |
| All Areas | all rents | 54 | 2,900,544 | 53,714 | 9.34 |

### Changes 1985 to 1987

| Area | Net Rent Range ($/sq. ft.) | Vacancy 1985 (sq. ft.) | % | Vacancy 1986 (sq. ft.) | % | Vacancy 1987 (sq. ft.) | % | 85 - 87 Net Absorbtion (sq. ft.) |
|---|---|---|---|---|---|---|---|---|
| Central Area | $14 & over | 399,000 | 43.4 | 137,000 | 14.9 | 143,120 | 13.0 | 439,528 |
| | $10 to $14 | 64,500 | 20.4 | 19,380 | 6.1 | 48,221 | 13.5 | 45,279 |
| | up to $10 | 181,817 | 17.5 | 137,116 | 13.2 | 254,150 | 23.7 | - 49,833 |
| | all rents | 645,317 | 28.2 | 293,496 | 12.8 | 445,491 | 17.6 | 434,974 |
| Other Areas | all rents | 83,380 | 27.0 | 59,309 | 19.2 | 73,595 | 19.9 | 9,785 |
| All Areas | all rents | 728,697 | 28.3 | 352,805 | 13.8 | 519,086 | 17.9 | 444,759 |

## 1.1 Central Area

Thirty-nine buildings in the Central Area, with a total leasable floor area of 2,531,347 sq. ft., account for 84% of all private competitive large office space in Hamilton-Wentworth. The total vacancy rate decreased considerably from 28.2% in 1985 to 17.6% in 1987, even with significant office space additions. However, overall vacancy rates in the Central Area remain well above the average forecast for major Canadian cities in 1987.

Current absorption rates in relation to vacant space* suggest there is an approximate 26 month supply of large office space in the Central Area. However, estimated "years of supply" for the two most expensive categories of buildings are less than the normal two-year time frame for construction of new office buildings. This suggests that excellent opportunities exist for development of additional high amenity/cost space. Space could be added through construction of new buildings or through renovations to existing lower cost buildings, many of which are well located and have good basic facilities.

### Buildings Over $14 Net Per Square Foot

Five buildings are concentrated near Lloyd D. Jackson Square. All are recently built or extensively renovated. The highest net rent is $19.50 net per square foot. The average net rent of $16 is approximately half the average for comparable space in downtown Toronto and below the average for major cities across Canada. Net rents increased an average of 18% from 1985 to 1987.

The overall vacancy rate declined considerably from 1985 (the first year of operation for the Standard Life Building) to 1987, despite the addition of Commerce Place (183,648 sq. ft.) in 1987. Currently, there is an approximate eight month supply of space available in this rent range.

* Dividing the amount of vacant space in a period by the absorption of vacant space in that period is used to determine "years of supply" - the number of years by which existing space will be occupied if no additional space is made available. "Years of supply" is considered a more reliable indicator of market health than the traditional examination of changes in vacancy rate over time.

**Buildings Between $10 and $14 Net Per Square Foot**

Ten such buildings, typically older and somewhat smaller than those in the "prime" category,are located throughout the Central Area. Amenities and access are generally good.

In this category the overall vacancy rate declined considerably from 1985 to 1987, despite the addition of 40,000 sq. ft. in the new York Centre building, renovations to 44 Hughson Street South, and expansion of the new Sun Life Building. An approximate 22 month supply of space exists in this rent range.

**Buildings Up To $10 Net Per Square Foot**

Twenty-four buildings are centred on Main Street at James Street and along James Street, south of the T.H. & B. Railway. These buildings are generally older and have fewer amenities than those in the more expensive categories. However, there are a few relatively new buildings located on the fringes of the Central Area.

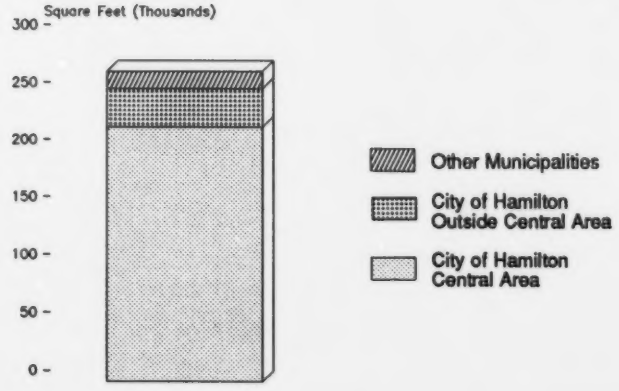
No additional space was added from 1985 to 1987. Vacancy rates increased considerably in this time period. The lack of absorption of space and relatively high vacancy rates suggest that many years of supply of space exist in this rent range.

## Downtown Office Space Major Canadian Cities (1987)

| City | Overall Vacancy (%) | Average Net Rent Prime Buildings ($/sq. ft.) |
|---|---|---|
| **Hamilton[1]** | **17.6** | **16.04** |
| Toronto | 8.5 | 32.00 |
| Montreal | 11.5 | 19.00 |
| Ottawa | 9.0 | 21.00 |
| Halifax - Dartmouth | 17.5 | 18.25 |
| Winnipeg | 5.0 | 11.00 |
| Regina | 12.2 | 15.00 |
| Calgary | 16.0 | 18.00 |
| Edmonton | 17.0 | 12.00 |
| Vancouver | 17.0 | 20.00 |
| **Average** | **13.1** | **18.23** |

Sources: [1] Hamilton-Wentworth Planning and Development Department Survey
Other cities: Canadian Real Estate 1987 - Royal LePage (forecast)

## Private Competitive Large Office Additions Hamilton-Wentworth (1985 to 1987)




## 1.2 Outside Central Area

Fifteen buildings outside the Central Area account for 13% of private competitive space in Hamilton-Wentworth. Thirteen buildings are located elsewhere in the City of Hamilton, one is located in Flamborough, and one in Stoney Creek. Rents ranged between $5 and $13 net per sq. ft. in 1987.

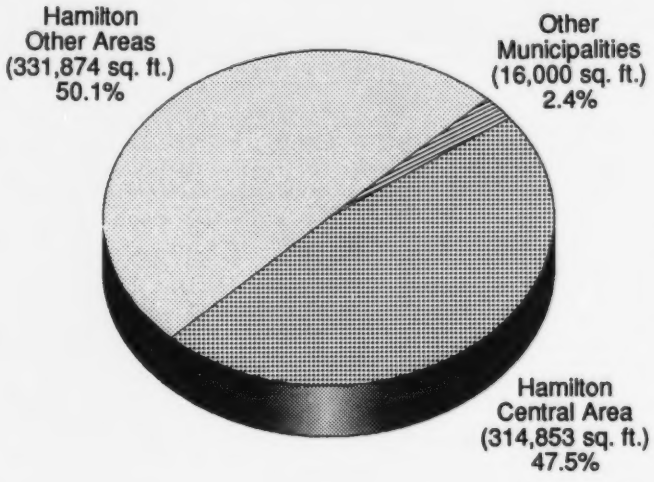
The overall vacancy rate declined slightly from 1985 to 1987, despite the addition of 46,500 sq. ft. with the completion of the Victoria Medical Centre and the Stoney Creek Professional Building.

An overall lack of absorption in this grouping between 1985 and 1987, in conjunction with relatively high amounts of vacant space, suggest many years of supply in existing buildings.

## 2.0 Private Non-Competitive Office Space

There are 16 large "private non-competitive" office buildings in Hamilton-Wentworth. Six buildings are located in the Central Area of the City of Hamilton, nine elsewhere in Hamilton, and one in Stoney Creek. Examples include professional offices, service organization headquarters, television/ radio stations, and industrial administrative buildings (eg. Dofasco and Chipman Chemical). These buildings total 662,727 sq. ft. - 14% of all large office space in the Region. No new space of over 10,000 sq. ft. was constructed from 1985 to 1987 in this category.

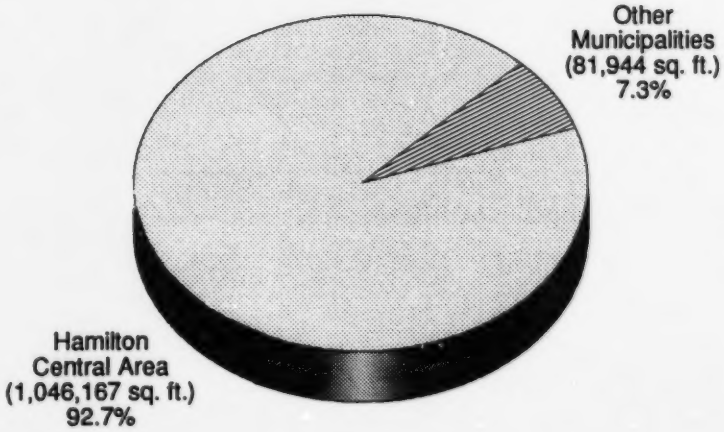
**Private Non-Competitive Office Space - 1987 (buildings with over 10,000 sq. ft.)**



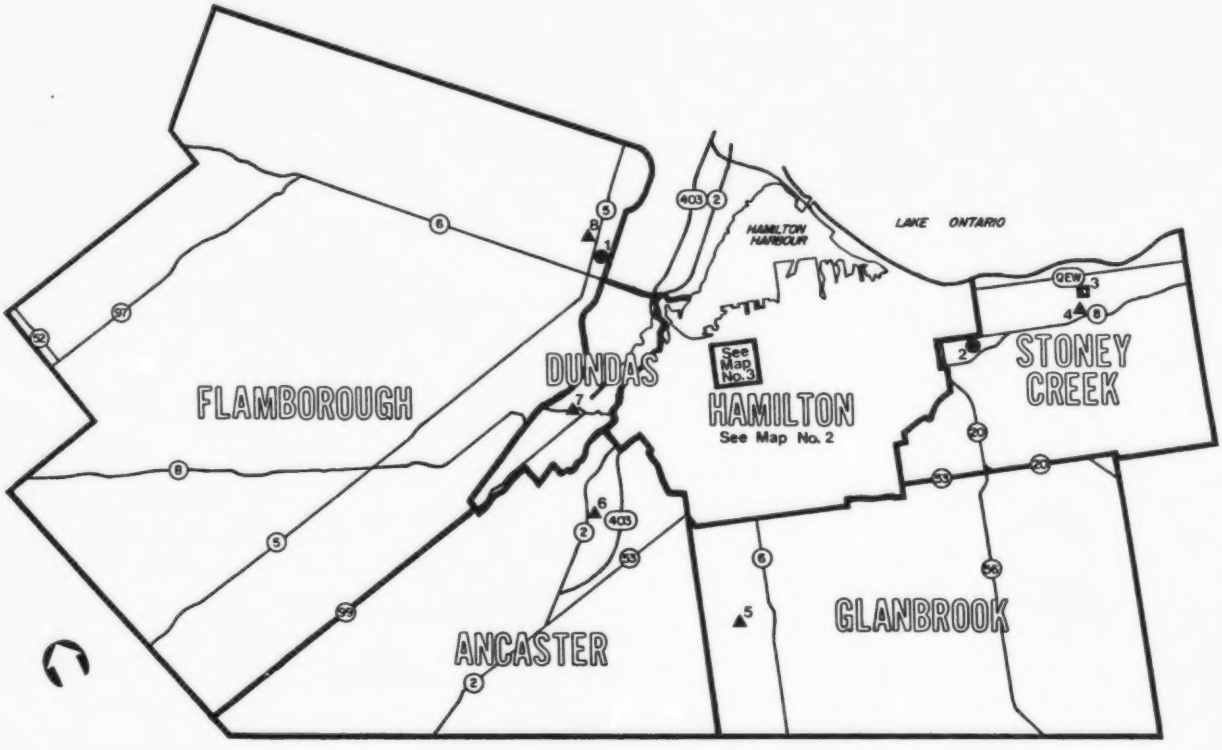

## 3.0 Public Office Space

There are 17 large "public" office buildings in Hamilton-Wentworth. Examples include the downtown Ellen Fairclough Building (housing Provincial and Regional Departments), area municipality City Halls, and public agency buildings. Twelve buildings are located in the Central Area of the City of Hamilton and five are located in other area municipalities. These buildings total 1,128,111 sq. ft. - 24% of all large office space in Hamilton-Wentworth. No new space of over 10,000 sq. ft. was constructed from 1985 to 1987 in this category.

**Public Office Space - 1987 (buildings with over 10,000 sq. ft.)**



# Large Office Buildings
# Hamilton-Wentworth Region
# Map No. 1




## ● Private Competitive Buildings

| | | | |
|---|---|---|---|
| 1. | Flamborough Professional Building | 50 Dundas Street East | 14,600 sq. ft. |
| 2. | Stoney Creek Professional Arts Building | 980 Queenston Road | 14,500 sq. ft. |

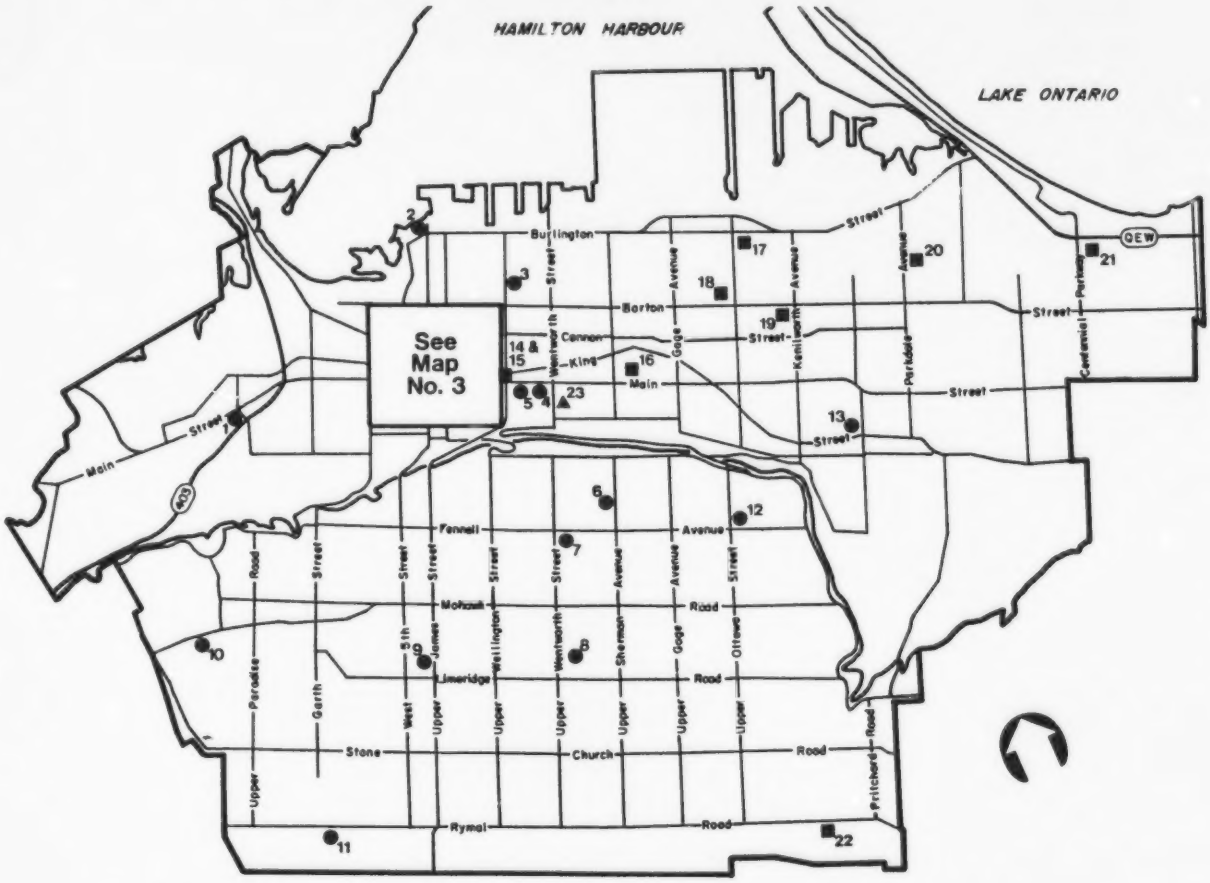
## ■ Private Non-Competitive Buildings

| | | | |
|---|---|---|---|
| 3. | Chipman Chemical Building | 400 Jones Road | 16,000 sq. ft. |

## ▲ Public Buildings

| | | | |
|---|---|---|---|
| 4. | Stoney Creek City Hall | 775 Highway No. 8 | 13,335 sq. ft. |
| 5. | Hamilton Civic Airport Terminal | Airport Road, Mount Hope | 33,212 sq. ft. |
| 6. | Ancaster Town Hall | 300 Wilson Street East | 11,622 sq. ft. |
| 7. | Dundas Town Hall | 60 Main Street East | 10,287 sq. ft. |
| 8. | Flamborough Township Offices | 163 Highway No. 5 East | 13,488 sq. ft. |

# Large Office Buildings
# City of Hamilton - Outside Central Area
# Map No. 2




## ● Private Competitive Buildings

| | | | |
|---|---|---|---|
| 1. | Mainwood Plaza | 875 Main Street West | 32,000 sq. ft. |
| 2. | Hamilton Harbour Commissioners | 605 James Street North | 31,362 sq. ft. |
| 3. | Victoria Medical Centre | 316 Victoria Avenue North | 32,000 sq. ft. |
| 4. | Economical Mutual Life | 460 Main Street East | 22,924 sq. ft. |
| 5. | Emmy Schoene Building | 370 Main Street East | 28,841 sq. ft. |
| 6. | Avestel Credit Union | 688 Queensdale Avenue East | 21,433 sq. ft. |
| 7. | Fenworth Plaza | 530 Fennell Avenue East | 17,190 sq. ft. |
| 8. | Limeridge Mall | 883 Upper Wentworth Street | 56,031 sq. ft. |
| 9. | Mount James Square | 1030 Upper James Street | 26,021 sq. ft. |
| 10. | Harvard Square | 801 Mohawk Road West | 15,795 sq. ft. |
| 11. | Canada Plan Building | 393 Rymal Road West | 30,000 sq. ft. |
| 12. | Hamilton Gardens | 1119 Fennell Avenue East | 13,000 sq. ft. |
| 13. | 1955 King East | 1955 King Street East | 13,500 sq. ft. |

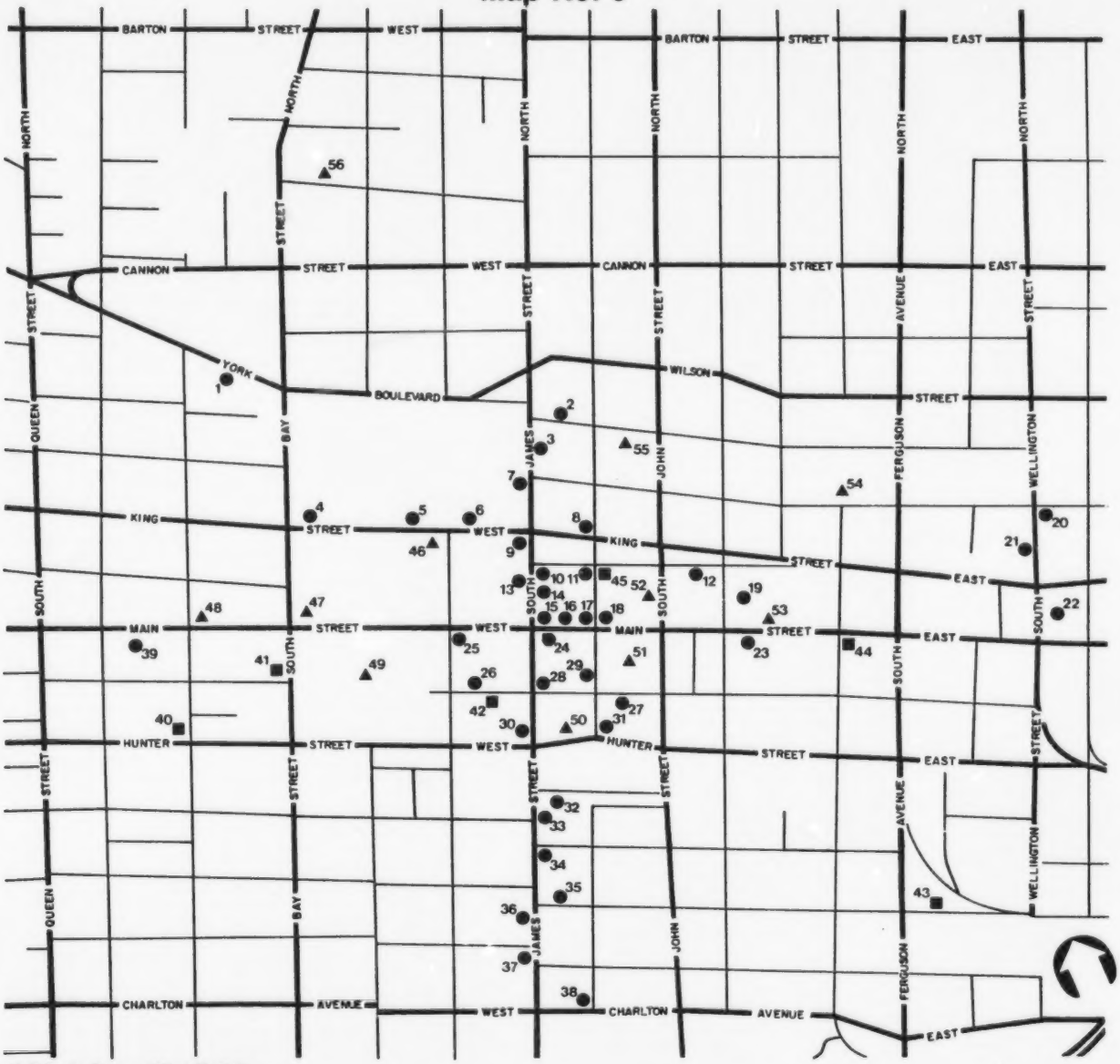
## ■ Private Non-Competitive Buildings

| | | | |
|---|---|---|---|
| 14. | Canadian Red Cross Society | 299 Main Street East | 18,432 sq. ft. |
| 15. | Canadian Red Cross Society | 400 King Street East | 10,467 sq. ft. |
| 16. | CKOC Radio | 73 Garfield Avenue South | 11,631 sq. ft. |
| 17. | Dofasco Building | 1330 Burlington Street East | 219,431 sq. ft. |
| 18. | United Steel Workers Centre | 1035 Barton Street East | 13,146 sq. ft. |
| 19. | Hamilton-Wentworth Credit Union | 1320 Barton Street East | 11,949 sq. ft. |
| 20. | Teamsters Local 179 | 514 Parkdale Avenue North | 22,334 sq. ft. |
| 21. | Waxman and Sons Limited | 500 Centennial Parkway North | 12,684 sq. ft. |
| 22. | C.C. Parker Consultants | 1400 Rymal Road East | 11,800 sq. ft. |

## ▲ Public Buildings

| | | | |
|---|---|---|---|
| 23. | Hamilton-Wentworth Childrens Aid | 143 Wentworth Street South | 37,444 sq. ft. |

# Large Office Buildings
# City of Hamilton - Central Area
# Map No. 3




## ● Private Competitive Buildings

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1. | York Centre | 14,000 sq. ft. | 14. | Canada Trust | 20,859 sq. ft. | 27. | 46 Jackson | 11,558 sq. ft. |
| 2. | 11 Rebecca | 38,841 sq. ft. | 15. | 47 James South | 12,248 sq. ft. | 28. | Teacher's Credit Union | 11,200 sq. ft. |
| 3. | Lister Block | 24,000 sq. ft. | 16. | National Trust | 22,000 sq. ft. | 29. | 44 Hughson | 11,000 sq. ft. |
| 4. | Standard Life | 409,500 sq. ft. | 17. | Union Gas | 75,000 sq. ft. | 30. | Unified Family Court | 25,008 sq. ft. |
| 5. | Robert Thomson | 117,000 sq. ft. | 18. | Imperial Building | 26,000 sq. ft. | 31. | Cooper Building | 17,349 sq. ft. |
| 6. | Stelco Tower | 337,500 sq. ft. | 19. | Terminal Towers | 100,000 sq. ft. | 32. | Alexandra Square | 72,559 sq. ft. |
| 7. | Bank of Montreal | 29,500 sq. ft. | 20. | 40 Wellington North | 28,500 sq. ft. | 33. | Undermount Building | 45,378 sq. ft. |
| 8. | Park Place | 54,560 sq. ft. | 21. | 15 Wellington North | 21,000 sq. ft. | 34. | Professional Arts | 45,338 sq. ft. |
| 9. | Commerce Place I | 183,648 sq. ft. | 22. | First Place | 72,140 sq. ft. | 35. | Medical Arts | 43,355 sq. ft. |
| 10. | First City Trust | 79,500 sq. ft. | 23. | Century 21 | 104,000 sq. ft. | 36. | Duke Centre | 32,000 sq. ft. |
| 11. | Norwich Union | 79,000 sq. ft. | 24. | Exchange Building | 25,000 sq. ft. | 37. | New Sun Life | 35,000 sq. ft. |
| 12. | Royal Connaught | 29,000 sq. ft. | 25. | IBM / 25 Main West | 132,597 sq. ft. | 38. | Charlton Centre | 50,000 sq. ft. |
| 13. | Royal Bank | 53,400 sq. ft. | 26. | Civic Centre | 25,890 sq. ft. | 39. | Main Hess Mall | 16,919 sq. ft. |

## ■ Private Non-Competitive Buildings

| | | |
|---|---|---|
| 40. | CHCH TV | 11,889 sq. ft. |
| 41. | Bell Canada | 128,880 sq. ft. |
| 42. | Bell Canada | 103,696 sq. ft. |
| 43. | Garwood - Jones Architect | 16,330 sq. ft. |
| 44. | Society of Management Accountants | 32,280 sq. ft. |
| 45. | Canada Trust (new) | 21,779 sq. ft. |

## ▲ Public Buildings

| | | |
|---|---|---|
| 46. | Ellen Fairclough Building | 233,910 sq. ft. |
| 47. | Hamilton Board of Education | 65,636 sq. ft. |
| 48. | Federal Government Building | 179,725 sq.ft. |
| 49. | Hamilton City Hall | 101,545 sq. ft. |
| 50. | Hamilton-Wentworth Health Dept. | 25,407 sq. ft. |
| 51. | Hamilton-Wentworth Court House | 85,498 sq. ft. |
| 52. | Hamilton Main Post Office | 99,182 sq. ft. |
| 53. | Provincial Court House | 27,593 sq. ft. |
| 54. | Hamilton-Wentworth Police Dept. | 96,072 sq. ft. |
| 55. | Hamilton Hydro-Electric Company | 78,806 sq. ft. |
| 56. | Hamilton Wentworth Roman Catholic Separate School Board | 17,349 sq. ft. |

This is one in a series of information bulletins produced by the Regional Planning Branch of the Planning and Development Department, Regional Municipality of Hamilton-Wentworth.

Other bulletins currently available:

- Greater Hamilton Population Trends (Report 87-1)
- Greater Hamilton Labour Force (Report 87-2)
- Greater Hamilton Construction Trends (Report 87-3)
- Greater Hamilton Industrial Development (Report 87-4)

For further information, please contact Chris Walker at 526-4219